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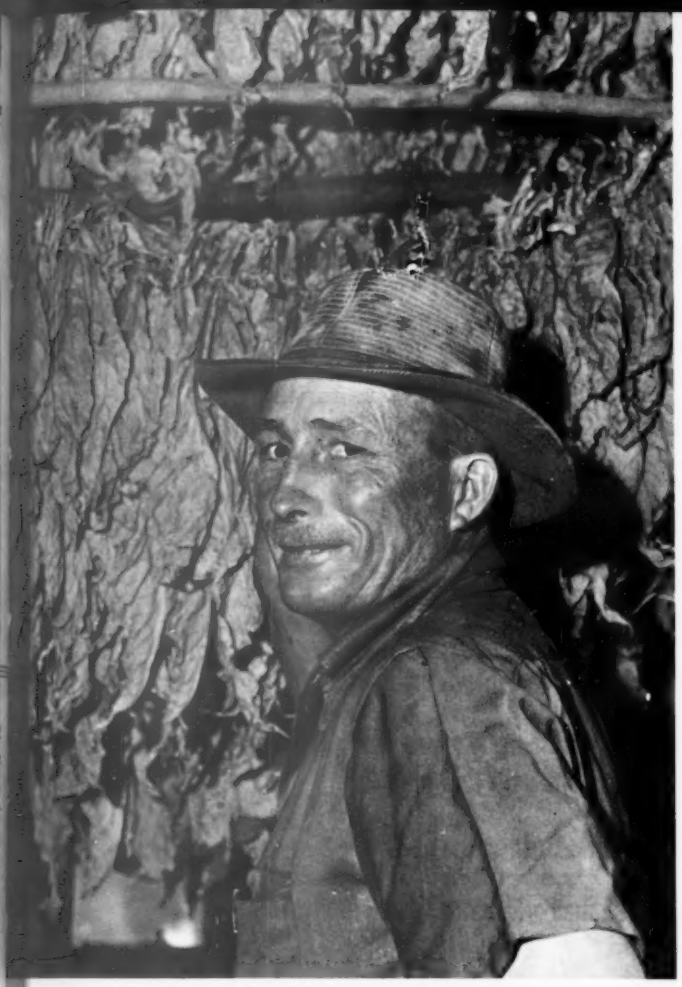

MARCH 14, 1966

RHODESIAN INDEPENDENCE
AND WORLD TOBACCO TRADE

WORLD FARMING REGIONS

NEW CREDIT REGULATIONS
TO BOOST FARM EXPORTS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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MARCH 14, 1966

VOLUME IV • NUMBER 11

A Rhodesian farmer inspects his tobacco barns. See article on page 6 which discusses the problems confronting the country's tobacco farmers in the current political and economic crisis.

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How Types of Farming Divide World Agriculture Into Regions

Land capabilities plus social and economic factors have created a complex agricultural pattern, but this can be subdivided into nine general regions.

By RICHARD M. HIGHSMITH, JR.
Professor of Geography
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In today's world, one of the most urgent needs is to expand food production to feed expanding populations. The following article by an eminent geographer identifies in a general way the many types of agriculture that are the foundation for the improvement in food production which must take place if the war against hunger is to be won.

When foreign visitors are taken on a tour of American family farms, they often are surprised at the wide variations they find. At one end of the scale they may see a 1-acre blueberry farm and at the other, a wheat farm of several thousand acres. The American visitor abroad may be equally surprised at the character of farms in other countries. Indeed, great variety typifies the total world farming scene.

The 3.5 billion acres forming the world's cropland base display wide differences in capability. There are also differences in the cultural backgrounds of the world's farmers —in levels of education, in qualities of resource-converting techniques (tools, plants and animals, agricultural chemicals, and such), in ideologies affecting attitudes and behaviors, and in the institutions relating to societal organization. And there are differences in degree of dependence upon exchange and market linkages, in the role of agriculture in regional and national economies, in land ownership and tenure patterns, and in relevant political policies.

Recognizing these differences and the fact that about one-half the people of the world are directly dependent upon farming, it is understandable that variety has developed in world farming patterns. It is possible, however, to regionalize types of farming on the basis of a high level of generalization of such characteristics as exchange or non-exchange relationships, typical unit size, crop and animal associations, and level of resource-converting techniques employed. This has been attempted on the accompanying map; a brief sketch of each class follows.

Rudimentary shifting cultivation

This is the primary way of life of an estimated 200 million people scattered through some 12 million square miles of the humid tropics. The practitioners range from a position little advanced over the Stone Age gatherers to essentially sedentary cultivators living in permanent villages and utilizing a fixed area with a regular field-brush or forest-fallow rotation.

Several general characteristics are common:

- The period of field use is shorter than that of natural vegetation fallow, 1 to 3 years as compared with 4 to 24 years or longer.
- Fire is employed in the process of field clearing; crops are planted among the charred logs, stumps, and even some standing trees.
- Simple hand tools are employed (machete, dibble stick, and in some cases the hoe).
- Family units range from less than an acre to 2 or perhaps 3.
- Crop production is for the direct needs of the cultivator, although barter is common, and in some areas there is small commercial enterprise (for example, oil palm in West Africa).
- Private ownership in the Western sense is uncommon; tribal organization is usual, and whereas in some instances the practice stimulates private ownership, the pervading philosophy holds that the land belongs to all the people, past, present, and future.

Favorite crops vary. If sufficient data were available, it would be possible to regionalize on the basis of major staples—the yam region in West Africa, the taro region of the Pacific Islands, the Upland rice region of Southeast Asia, the manioc region of the Amazon Basin, etc. In addition to staples, most groups produce a variety of vegetable crops, and some also plant perennials.

Sedentary subsistence tropical agriculture

Some of the small-scale farmers of the tropics, favored by more fertile soils or somewhat higher level resource-converting techniques, have developed a permanent farming occupance. The crops they produce are for the purpose of meeting home needs, and animals are of minor importance. Units are generally only a few acres in size. Farmers in isolated situations, surrounded by the tropical forest, commonly, like the shifting cultivators, implement their livelihood by gathering. Barter of surplus crops or gathered products in small amounts for necessary items, such as cloth or tools, is a general practice.

Commercial tropical agriculture

With the European colonizations of the Americas, a unique, large-scale specialized production form developed, the plantation system, which later spread to Southeast Asia and, in a lesser degree, to Africa.

This system, joining the suitable land resources and labor supplies of the tropics with managerial functions, capital, and market linkages supplied by Westerners, was a response to the growth in demand attending commercialization, industrialization, and urbanization in Europe and Anglo-America. It was aided by improvements in trans-

Mr. Highsmith is coauthor with J. Granville Jenson of *Geography of Commodity Production*, published in 1963.

portation and refrigeration, interested entrepreneurs, and the accumulation of colonial territories by Western countries.

Plantations are usually large in size, several hundred to several thousand acres, and generally they specialize in the production of one crop, although a few engage in the production of several. Plantation production accounts to some degree for essentially all of the tropical commodities moving to middle latitude markets—most of the bananas, much of the sugar and pineapples, around one-half of the natural rubber, and an important share of the nonalcoholic beverages, vegetable oils, and fibers.

In recent years there has been an upsurge in commercial production by native small-holders. In general, these units are localized in or near the established plantation areas; the palm oil and cacao areas of West Africa, however, are notable exceptions. Individual holdings, in general, are small. For example, about half the world's rubber is produced on units ranging from 3 to 8 acres.

Oriental agriculture

This is the most intensive form of farming, and it occupies approximately two-thirds of the world's farmers. It is a result of and is conditioned by a very long culture history and a dense dependent population. It is characterized by small farm units, generally less than 5 acres fragmented into several plots, devoted to diversified food crops produced by hand methods.

The farmer's overt aim is to provide his family with a complete dietary while maximizing the use of land and labor. Rice is the staple in all the wetter districts, giving way to wheat, millet, and grain sorghum in the drier districts. A wide variety of vegetables is grown.

Intensity of human efforts is firmly imprinted on the landscape and in the production systems. Productive occupance of the land is apparent in the placement of villages, the limited space given over to transportation nets, the crop use of paddy dikes, and the improvements of surface shapes. Multiple cropping, intertillage, use of all available natural fertilizing materials, and dawn-to-dark toil are other evidences of intensity. Animals are minor, except for poultry and swine, which efficiently fit as noncompetitors for food crop land. Although barter is common, and the aggregate volume is noteworthy, the amount moving in trade channels from individual farms is small.

Several significant variations occur. Farmers in Japan and Taiwan are more technically advanced; the countries of Southeast Asia are traditional surplus producers of rice and their farm units are slightly larger than typical; and in China and North Korea the family farm of long tradition is disappearing under Communist reorganization of agriculture.

Mediterranean agriculture

The Mediterranean Basin ranks next to the Orient in the density of farming populations and intensity of practices. Here too farming is the product of a long history and furthermore, of the regional restrictions on secondary activities, especially resources for major industrialization. Units are mainly under 25 acres, and fragmentation of holdings is common in some districts.

Mediterranean Basin farms long ago demonstrated remarkable ingenuity in selecting and developing crops and practices (control of planting time, terracing, irrigation) contrived to maximize land resource use and to yield a complete dietary. These have been especially geared toward taking the greatest advantage of seasonal and low precipitation, meager water supplies, and the maximum of land in slope. Wheat, barley, beans, and cool-season vegetables are grown on the basis of winter precipitation; drought-tolerant tree and vine crops—olives, nuts, fruits, and grapes—withstand the dry summers in many parts of the Basin and also extend the use of slope land; and where irrigation is possible the variety of crops and/or the cropping season can be extended, and practices and yields intensified. There is little integration of crop and livestock farming, although sheep and goats are grazed widely on noncroplands.

The area's farmers tend to be self-sufficient, although they all have some dependence upon exchange. Olive oil, citrus fruits, tobacco, wine grapes, and, increasingly, off-season vegetables are the most important trade items.

Commercial farming: mixed crops, livestock

Grains, row, forage, and horticultural crops grown for cash sales commonly are intermingled in these regions as well as on individual farms, and in many cases, livestock enterprises are integrated with crop farming or pasture on individual units.

Specialization varies considerably from region to region and from area to area. For example, in southeastern United States there are discernible areas specialized in the production of cotton, fruit, vegetables, rice, sugar, and peanuts, and through most of the region there is an overlay of livestock activity, much of which is based upon improved pastures. Specialization in vegetable and fruit production typifies the California areas, but grain, row crops, and livestock are common also. The European-USSR region is noteworthy for rye, potatoes, and sugarbeets, but vegetables, other root crops, grains, hay and pasture are typical throughout; dual purpose cattle for home milk supply and meat for sale are noteworthy.

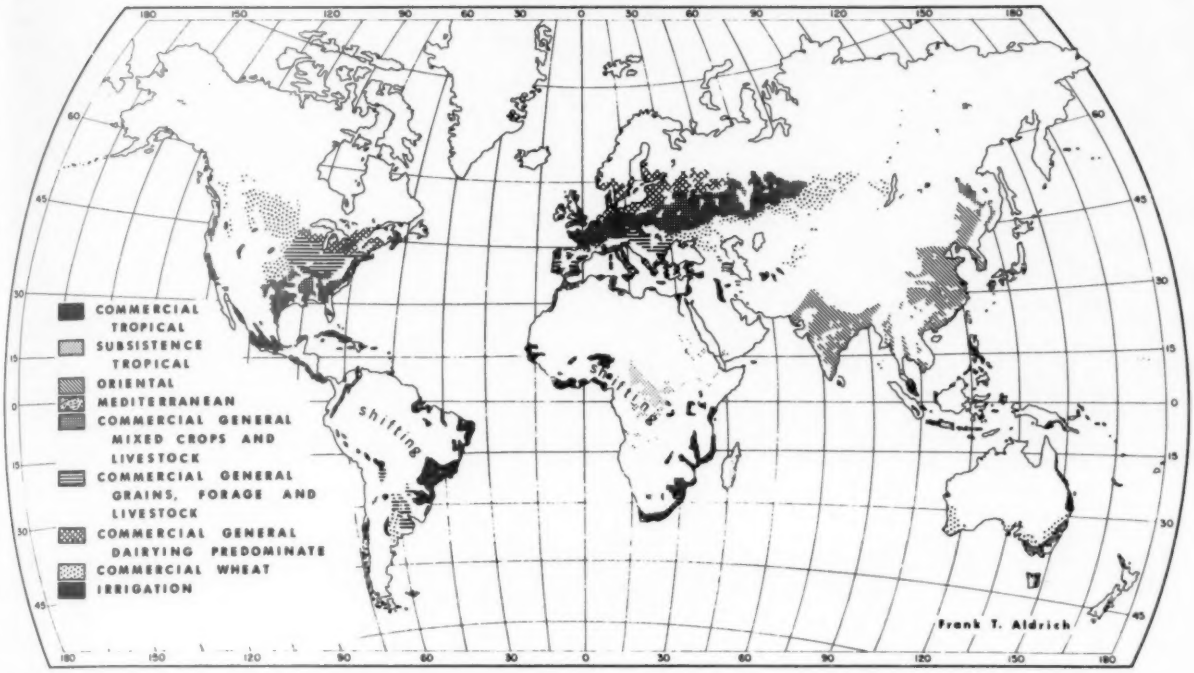
Considerable variation exists in the size of individual operations. The most typical unit in the southeastern United States contains a few hundred acres, of which half or more may be devoted to pasture or trees; however, residuals of the plantation days may contain several thousand acres, and some more recently accumulated estates are even larger. In Western Europe units commonly vary up and down from 25 acres. As a result, farming practices are typically more intense than elsewhere, and considerable attention is given to the production of supplies for home needs. In the Communist countries farm reorganization has resulted in large units which stretch somewhat the traditional meaning of the term "farm."

Commercial agriculture: Feed grains, forage, livestock

In these regions grains, especially corn, and various forage crops occupy much of the land. In fact, most farmers try to produce as much feed as rationally possible, since a significant share of their income is derived from the sale of livestock or livestock products.

There are differences from region to region both in scale and specialization. The Corn Belt, the premier farming region of the United States, is the top national producer of field corn and soybeans, oats, hogs, and beef cattle, and is outstanding in the production of hay, wheat, milk, sheep,

Generalized Regionalization of World Farming Types



and poultry. On individual farm units, ranging from 160 to 320 acres in size, there is a high degree of integration of crop and livestock enterprises, but hay, pasture, and beef cattle are relatively more important on units with sloping land, and corn production for cash sale is significant in smooth-surface locales.

In the Argentine Pampa units are considerably larger than in the Corn Belt, and whereas both corn and cattle are important, there is less integration. Much of the corn is exported, and the cattle are grass-fattened on improved pasture. Hogs are unimportant.

The regions along the Danube display the Communist style of land organization, and wheat, owing to marginal precipitation for corn, is more important in most places.

Commercial agriculture, dairying predominant

In these regions much of the farmland is devoted to hay, forage, and pasture production to support dairy cows —partly in response to land qualities, sometimes restricting to other enterprises, and partly because of farm size and market relationships. In most cases operators of dairy farms can achieve a greater profit from marketing milk than from crops.

In the American Dairy Belt, farms average about 200 acres in area and support 20 to 40 milking cows. In the western part of the region, the per unit acreage is generally smaller than the average, but approximately half the land on each farm is in crops (commonly corn, oats, and hay); and hogs are often a sideline. In the eastern part less land is devoted to crops, other than hay, and secondary enterprises are less significant. In the European region farms are smaller, perhaps 20 to 60 acres, as are herds; but the farms are more intensively operated and are diversified with hay, root crops, and vegetables for home needs. In both regions there are areas of horticultural specialties, such as the fruit district on the east shore of Lake Michigan and the flower and vegetable districts of the Netherlands.

Commercial wheat agriculture

The wheat regions are the most specialized of all the crop-agricultural regions. Low and erratic annual precipitation restricts crop possibilities to small grains and grasses, and wheat is preferred. Farm units are large, varying from several hundred to several thousand acres in the United States, Canada, and Australia to many thousands in the haciendas of the western part of the Argentine Pampa and even larger acreages in the collective and state farms of the Soviet Union.

These large acreages per unit are possible in that they permit complete mechanization of the production process; moreover, they are necessary owing to the relatively low per acre yield. Although wheat is the dominant enterprise, other crops are grown locally—flax for seed, other small grains, sunflowers—and livestock enterprises, especially beef cattle, are present in many districts.

Irrigation agriculture

Slightly more than 400 million acres of the world's cropland are irrigated. Approximately half is localized in the humid portions of south and east Asia and supports rice production; the remainder is scattered through the dry lands where it represents an absolute addition to the cropland base. The distribution is such that conditions vary with respect to temperature and other aspects of the land base. Hence, in reality most of the irrigated areas would fit into one of the other farming classes. Irrigation, however, does bring to most farming areas intensified practices.

Women working in tobacco field.

Impact of Rhodesian Independence on the World Tobacco Trade

By HUGH C. KIGER
Tobacco Division
Foreign Agricultural Service

From a meager beginning about 75 years ago through the 1965 marketing season, the Rhodesian tobacco trade has enjoyed a meteoric increase which has been unparalleled elsewhere in the world tobacco trade.

For the past 2 years Rhodesian production and trade has been about 10 times the level of the 1930's and more than double that of the early 1950's. In both years, Rhodesia ranked second to the United States as an exporter of tobacco, its shipments exceeding 200 million pounds annually.

Several factors were responsible for this rapid expansion of Rhodesia's tobacco trade. Land was cheap, and labor costs were extremely low—about 10 percent of those in the United States and Canada. Producers had a lot of know-how and followed good cultural practices. Rhodesia had a good grading and marketing system and a good research program. Also, the industry benefited from a tariff preference in the United Kingdom and other Commonwealth countries, and from relatively low export prices.

Independence changed the picture

Prior to the political crisis Rhodesia had ambitious plans for further expansion of its tobacco export trade—and this would very likely have taken place if there had been a continuation of the economic and political situation that existed. However, following the Unilateral Declaration of Independence by Rhodesia on November 11, 1965, a number of economic sanction measures were undertaken by the United Kingdom as well as by many other countries, with the purpose of forcing Rhodesia to back down from its declaration of independence.

The United Kingdom insists that there be a government in Rhodesia which is legal and loyal to Britain, and one which will move toward rule by the African majority. But the present regime, headed by Ian Smith, shows few signs of deviating from its independence course, making it difficult to predict how and when the current political crisis will be resolved.

Economic sanctions against Rhodesia

Tobacco is the mainstay of the Rhodesian economy, in both 1964 and 1965 earning over $100 million from foreign sales, or more than one-fourth of the country's export total. Consequently, economic sanctions have been imposed to prohibit the buying of Rhodesian leaf. Countries representing over 90 percent of the normal markets for Rhodesian tobacco have banned imports. In fact, Britain, on February 7, released an order that makes it a crime for anyone to export tobacco from Rhodesia: the penalty is up to 2 years in prison and an unlimited fine.

These economic sanctions against Rhodesia will no doubt substantially curtail its tobacco exports. In 1964 the United Kingdom purchased about 100 million pounds of Rhodesian leaf, and other Commonwealth countries took more than 25 million pounds. That same year other important markets were: West Germany, 33 million pounds; Netherlands, 16 million; Japan, 9 million; Belgium, 6 million; and Denmark, 3.5 million. Combined, these markets—and others—took over 200 million pounds of Rhodesian leaf in 1964.

Except for the tobacco which may be used domestically—normally about 5 percent of the crop—and that which might be purchased by South Africa and Portugal and its colonies, the outlets for Rhodesian leaf are now very limited. Therefore, if any volume of Rhodesian leaf is to move in world trade it would have to be purchased and shipped in a covert or clandestine fashion, in violation of announced embargoes by importing countries.

Rhodesia produced a tobacco crop of over 300 million

pounds in 1964, which averaged only about 30 cents per pound at the auction floor compared with 49 cents the previous season. Consequently, the 1965 crop was reduced to about 240 million pounds, and this crop averaged about 38 cents per pound at auction. The original production target for the crop that was planted last fall was 280 million pounds. Planting, however, was not complete when independence was declared, and at that time, the government and grower organizations urged an acreage reduction.

The current estimate for the crop to be marketed is about 200 million pounds, and of this, some 42 million pounds might be sold for export, according to a recent estimate by the Rhodesian export trade. This poses the question of what will happen to the rest of the crop.

This year's auctions secret

The Rhodesian tobacco auctions will open at the end of March and, unlike those of previous seasons, will take place behind closed doors and in complete secrecy because of the economic sanctions. No growers, newsmen, or visitors will be admitted.

A tobacco corporation established by the Rhodesian Government is responsible for the crop to be marketed this year. A reserve minimum price (support price) has been fixed for each classification grade; and the grower will be credited with the reserve price only, whether his tobacco is purchased by a private firm for a price which is not less than the reserve price, or is taken over by the corporation at the reserve price. At the end of the season all proceeds above the reserve will be shared by growers on an equitable basis.

It is quite likely that the corporation will have to take over a large portion of the crop being marketed, and that the financing will have to come from the limited funds available to the Treasury. However, the government realizes that if growers receive less than the cost of production, many may leave the land and not plant another crop.

Implications for other countries

The banning of Rhodesian tobacco by key markets could have important trade implications for the United States, India, Canada, and other alternate suppliers of flue-cured leaf. If the sanctions are effective and of long duration, the United States may have an opportunity to dispose of some of its surplus stocks, and Canada, India, and other suppliers may consider increasing acreage and production. So far most of them have not taken any such step, since the political crisis in Rhodesia could end abruptly. Only Zambia, formerly Northern Rhodesia, has upped its output.

Last year Zambia's flue-cured crop totaled about 15 million pounds, whereas its 1966 crop is estimated at about 20 million. Also, Zambia has announced plans to increase its flue-cured production to 40 million pounds.

In previous seasons Zambia has always sold its flue-cured tobacco on the auction floors in Salisbury but next week it will open its own auction floors at Lusaka. The demand for Zambian leaf is expected to be strong, so that prices will probably average several cents above the 1965 level. Most of Zambia's tobacco will be processed in Limbe, Malawi, because it would lose the Commonwealth preference if redried or processed in Salisbury.

Outlook very uncertain

If the political crisis continues and if the economic sanctions are effective. Rhodesian growers will be facing tough decisions relative to planting a tobacco crop in the fall of this year, and, as mentioned previously, may give up tobacco growing entirely and switch to alternate crops, or they may reduce acreage drastically. But what can be expected if the current crisis results in a Rhodesian Government acceptable to the British and one which would move toward majority rule?

The reaction of Rhodesian farmers would of course depend to a large extent on the policies of the new government. However, if developments in Kenya can be used as a guide, a rather rapid exodus of European farmers could be expected, and in time some type of land reform and fragmentation of the large tobacco estates would very likely occur. Such changes could have a significant effect on the quantity and quality of Rhodesian tobacco produced and exported in the years ahead.

Top, tied hands of Rhodesian tobacco are stacked in baling box. Below, bulk tobacco is graded on farm in Ayrshire district before going to Salisbury auctions.

New Credit Regulations To Boost Commercial Farm Exports

By RALPH E. SPENCER
Office of General Sales Manager
Foreign Agricultural Service

Recently revised regulations giving U.S. exporters additional sources of credit are expected to increase dollar exports of U.S. farm products, both privately owned and those from Commodity Credit Corporation stocks. They are also expected to meet generally expanded needs for export credit whenever such credit is not available from U.S. banks.

Up to now, exporters have been required to provide an irrevocable obligation from a bank in the United States for sales made under CCC credit.

The new regulations allow exporters to secure 100 percent of the credit sale (sales value of the commodity plus interest) with a letter of credit issued by a foreign bank in favor of CCC, providing for payment in U.S. dollars. However, at least 10 percent of the credit must be additionally secured by a U.S. bank—unless the requirement is reduced or waived following written application by the exporter and approval by the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture.

U.S. bank obligation

The 10-percent U.S. bank obligation applies to "commercial" risks but not to "political" risks in the importing country. Political risks include inability of the foreign bank to convert foreign currency to dollars; loss due to cancellation of import license or inability of the exporter, because of laws or regulations, to deliver commodities; and loss due to expropriation, confiscation, war, revolution, or insurrection.

The maximum credit policy will continue to be 3 years, although approximately 70 percent of all sales since the program began in February 1956 have been made under credit periods of 12 months or less. The general policy now followed by the General Sales Manager in approving CCC credit applications is to limit the credit period to 12 months for cotton, grain sorghums, and tobacco, and 6 months for all other commodities. This helps the U.S. balance-of-payment situation and is designed to keep the foreign buyer coming back for U.S. agricultural commodities.

Longer credit periods may be justified if the exporter can show that such extension of credit will achieve one or more of the following results:

- Permit U.S. exporters to meet credit terms offered by competitors from other Free World countries.
- Prevent a loss or decline in established U.S. commercial export sales from noncommercial factors.
- Permit U.S. exporters to establish or retain U.S. markets despite penetration by Communist suppliers.
- Substitute commercial dollar sales for sales for local currencies and barter transactions.
- Result in a new use of the imported agricultural commodities in the importing country.
- Permit expanded consumption of agricultural commodities in an importing country and thereby increase total commercial sales of commodities to the country by the United States and other exporting countries.

In considering applications involving export of commodities to eligible countries in a good financial and balance-of-payments situation, principal reliance will be placed upon the first three criteria.

Arrangements involving credit up to the time periods noted above will be made through designated USDA-ASCS offices without prior approval of the General Sales Manager provided the dollar amount of the application does not exceed $4 million and the bank obligation is in the form of an acceptable letter of credit issued by a U.S. bank.

Interest rates announced

CCC will announce in its monthly sales list the interest rates applicable under the program. The announced rate for U.S. bank obligations will be at least 1 percent lower than that for foreign bank obligations.

Until changed by announcement in the next monthly sales list, the rate for U.S. bank obligations will be 5 percent per annum and the rate for foreign bank obligations will be 6 percent per annum, without regard to the credit periods involved.

Since March 1956, agricultural commodities have been exported under CCC credit to 50 countries with sales showing a steady increase.

The country with largest imports is Japan, followed by Italy, the United Kingdom, the Netherlands, Mexico, Poland, Spain, and Lebanon—in that order. Exports of commodities have also been financed to such diverse countries as Chile, Colombia, Greece, Libya, Peru, Philippines, Portugal, Thailand, Haiti, and India.

Corn biggest CCC export

From a commodity standpoint, more than twice as much corn ($223 million) has been exported under CCC credit as the next highest commodity, wheat ($94 million). Next are cotton and grain sorghums, each with about $79 million, tobacco, barley, rice, and dry edible beans.

Until February 1965, all commodities sold under the program were obtained from CCC-owned stocks, or tobacco under loan to CCC. At that time, financing of exports from privately owned stocks was authorized. Since there are no congressional appropriations for this program, financing of privately owned stocks is handled by issuing export commodity certificates redeemable in CCC inventories, or tobacco under loan.

Cargo preference legislation is not applicable because credit sales are made to maximize U.S. dollar commercial exports and are not financed for foreign aid or assistance.

In the past, CCC credit has been an additional tool for U.S. exporters in expanding dollar agricultural exports. It has been used to develop new markets for U.S. commodities, particularly feed grains and wheat. It has helped the United States get a larger share of usual marketing requirements from countries receiving assistance under P.L. 480; and it has helped countries meet commodity shortages caused by drought.

Heretofore, emphasis has been placed upon moving our large inventories of surplus commodities. The U.S. tax payer benefits when additional dollar exports sales are made, or made sooner, because storage and other carrying costs are reduced.

Now with growing world demand for food and with overall stocks of U.S. grains, rice, and dairy products declining, a different approach is in the making. The need now is to facilitate greater exports to meet greater world demand and to promote an expanded trade and commerce.

The revised CCC credit program should also help to expand agricultural trade with Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, and Yugoslavia.

Other areas where its use may be productive are in such countries as Algeria, Ghana, Iran, Taiwan, Malaysia, Colombia, Syria, Cyprus, Iraq, Jordan, Morocco, Nigeria, Pakistan, Senegal, Uruguay, and Turkey, as well as a number of the newly formed countries in Africa.

However, the program is by no means limited to use in exporting to developing nations. It can be a very important factor in developing even greater dollar markets for U.S. agricultural commodities in areas such as Japan and Western Europe.

Iran Firm Buys Wheat In New P.L. 480 Sale

The United States sixth long-term credit sale under Title IV P.L. 480 with a private firm was signed last month with the Pars Cotton Ginning and Oil Mill Corporation (PCGOMC) of Iran.

Under the dollar credit agreement, PCGOMC will be authorized to purchase up to $1,750,000 worth—about 1.1 million bushels—of U.S. wheat or wheat flour for resale in Iran. The Commodity Credit Corporation (CCC) will finance the purchase, plus certain ocean transportation costs, making the total export market value of the transaction $1,975,000. Delivery will be during fiscal 1966.

Pars Cotton Ginning and Oil Mill Corporation will use the commodity sales proceeds to construct a livestock feed mill, grain handling and storage facilities, and related equipment. Most of the machinery will be bought in the United States.

PCGOMC will pay for the wheat in ten equal annual installments at an annual interest rate of 4⅝ percent. Sales of the wheat and/or wheat flour will be by private U.S. traders. Credit purchase authorizations will be announced later.

American Foods a Show-Stopper at London

At London Trade Center Show, Feb. 22-Mar. 4: Top, food editors try U.S. turkey. Right, (r-l) Lord Mayor of London is greeted by Edward Cunningham, Grocery Manufacturers of America, and Edward Sajous, National Assoc. for Specialty Foods Trade.

Below, British press and trade crowd London food show and taste-test the variety of specialty foods exhibited by nearly 90 U.S. firms.

New ICI officers, elected from representatives of the world's leading cotton-producing countries are (l-r) M. G. Kaul, India, third vice president; Dorothy Jacobson, United States, second vice president, Rodriguez Adame, Mexico, president; and Read P. Dunn, United States, executive director of the Institute.

Six Big Cotton-Producing Nations Ratify World Promotion; Mexico's Adame Made ICI President

The first General Assembly of the newly created International Cotton Institute (ICI) met in Washington this month, after the Institute's formal ratification by countries which together export 4 million bales of cotton a year to Europe and Japan.

The meeting climaxed a series of conferences held from early 1964 through 1965 to consider a worldwide approach at improving cotton's competitive position in world textile markets, where manmade fibers continue to make deep inroads. Original plans for an international cotton promotional organization were put forth at meetings of producing countries in Frankfurt in May 1964 and in Paris in November 1964 and at regional meetings in Mexico City (the Americas) and Cairo (Middle East, Asia, and Africa).

Preliminary approvals came at a meeting in Washington, D.C., last May of representatives from 19 cotton-producing countries and a number of importing countries under the auspices of the International Cotton Advisory Committee in conjunction with the Committee's 24th Plenary Meeting. Governments of producing countries were given 3 months for ratification following the drawing up and circulation of legal documents and reports before August 31, 1965.

Initial promotion plans

The intergovernmental organization will put into operation within the next few months an international program of research and promotion in cooperation with trade and industry interests in importing countries. Initially, campaigns will be aimed at principal markets Japan and Western Europe.

Charter members of ICI are among the world's chief cotton-producing countries—India, Mexico, Spain, Sudan, United Arab Republic, and the United States. Nearly 30 delegates attended the recent Washington meeting from these and other producing countries and elected an impressive first slate of officers.

New ICI officers

Rodriguez Adame, former Secretary of Agriculture in Mexico, is the Institute's new president. Other officers are First Vice President Abdel Latif Ezzat, UAR; Second Vice President Dorothy Jacobson, Assistant Secretary for International Affairs, USDA; Third Vice President M. G. Yaul, Minister of the Embassy of India in Washington; Executive Director Read P. Dunn, Jr., Executive Director of Cotton Council International; and Honorary Director in charge of the Washington office Dr. W. W. Shindy, UAR.

Financial support for promotion will be from contributions of ratifying countries. This is expected to generate the support of the cotton industry in each importing country.

Each country has agreed to contribute $1 per bale on its cotton exports to Western Europe and Japan to a fund expected to total more than $4 million. All payment to the promotion fund must be in hard currencies usable in both Western Europe and Japan.

U.S. Secretary of Agriculture Orville L. Freeman ratifies ICI with FAS Cotton Division Director R. C. Sherman.

Cotton Council International promotion programs in Western Europe and Japan will be merged with those of the new organization. After January 1, 1967, CCI will concentrate its efforts on other areas and activities specifically affecting U.S. cotton exports.

Record Angus Sale to Japan

The largest single purchase of U.S. beef breeding stock ever made by Japan was recently negotiated with Iwao Nakajima, operator of a large ranch in Nagan Prefecture.

Impressed by the 13 U.S. Aberdeen Angus shown at Japan's first International Livestock Show in April 1965, Mr. Nakajima contracted to buy 100 heifers and 2 bulls to form a foundation Angus herd in Japan.

Mr. Nakajima came to the United States in late January to select the cattle, and has planned an additional purchase of over 100 U.S. Angus for delivery later this year or early 1967.

Standing before the Champs Élysées branch of Prisunic (left) are (l-r) Claude Thiriet, chief, packaging and advertising department, Paul E. Quintus, U.S. agricultural attaché, and Beatrice Valentine, Prisunic press aide; (above) the two men visit the fruit and vegetable section.

Top Prisunic Chain To Feature France's First In-Store Promotion of U.S. Foods Next Month

The first in-store promotion of processed U.S. foods in France will begin next month at 250 Prisunic stores, biggest chain of self-service stores in Europe.

The American Fortnight—planned in cooperation with FAS for April 16-30 — will spotlight 99 separate brands of American foods: 59 are specialty packaged foods, and the remainder are fruit and vegetable juices, wines, and liquors.

Running before and during the nationwide fortnights will be a publicity barrage on radio and in newspapers with a total circulation of around 12 million persons. Extensive point-of-sale material will be used in each store and, in Paris, buses will carry banners saying "USA at Prisunic."

Prisunic, which opened its first store in Paris in 1931, now has 310 outlets throughout France. In addition, the chain has 15 stores in Africa and in French overseas territories, as well as 14 stores in Spain, Greece, Andorra, and Jersey.

Already successfully utilized for several years in the United Kingdom—as well as in Germany and Belgium last year—the in-store promotion technique has proven an effective means of spotlighting U.S. processed foods. Not only does the in-depth publicity result in increased sales during the promotions; it has considerable carryover value in building new consumer buying habits. The technique also helps establish and firm up relationships with wholesale and retail outlets.

All Prisunic stores carry clothes, hardware, and food with food making up about half of the chain's total sales volume. Above and below, two food departments.

U.S. Exports of Livestock Products Up in Value, Down in Volume in 1965

Although the overall volume of U.S. livestock product exports last year was down somewhat from 1964, unit values were generally higher, and total value rose from $478 million to $486 million. Tallow and greases accounted for $195 million, while hide and skin exports were valued at $105 million.

Rising livestock prices and shortages of some commodities resulted in substantially reduced exports of several livestock products.

The drop in hog slaughter was primarily responsible for decreased export availability and higher prices of lard, certain inedible greases, carcass pork, hog casings, and several types of pork variety meats. Also contributing to the drop in U.S. exports of pork and pork byproducts was the record or near-record pork output in most Western European countries.

Under the impetus of lower prices, mohair exports recovered somewhat from the extremely low level of 1964. Mohair exports from 1959 through 1963 ranged from 13 million pounds to 19 million pounds, averaging nearly double the volume of 1965 exports.

Cattle hide exports were record high, topping the previous record set in 1964. Foreign demand for U.S. hides has strengthened over the past 2 years in proportion to the decrease in Argentine supplies.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
[Product weight basis]

Commodity	December		Jan.-Dec.	
	1964	1965	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	42,644	20,579	682,001	250,872
Tallow & greases:				
Inedible	161,498	196,522	2,408,102	2,123,614
Edible	1,106	1,399	12,790	24,739
Meats:				
Beef and veal	15,644	3,199	57,245	43,791
Pork	6,619	3,843	132,987	47,654
Lamb and mutton	150	135	1,252	1,176
Sausages:				
Except canned	355	365	3,716	2,355
Canned	176	193	1,127	1,560
Other canned meats	215	618	2,802	8,014
Meat specialities:				
Frozen	——	111	——	1,539
Canned	——	184	——	2,290
Total red meats	23,159	8,648	199,129	108,379
Variety meats	22,822	21,222	231,437	223,128
Sausage casings:				
Hog	711	561	9,431	6,663
Other natural	494	704	4,744	6,224
Mohair	200	169	2,657	8,508
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	1,021	1,277	11,503	13,309
Calf	191	279	2,111	1,985
Kip	37	32	280	474
Sheep and lamb	301	296	3,065	2,876
Horse	(1)	8	(1)	35
Goat and kid	(2)	4	(2)	303
	No.	*No.*	*No.*	*No.*
Live cattle	2,057	3,025	61,631	54,171

[1] Included in cattle hides. [2] Included in sheep and lamb skins.
Bureau of the Census.

Brazil's Corn Crop Forecast Lower

The 1965-66 Brazilian corn crop, the principal part of which is harvested from March to June, is now estimated at 11.5 million metric tons. This is 6 percent below the record level reported for last year.

The Ministry of Agriculture has forecast corn exports in 1966 at 500,000 tons, compared with the 700,000-ton record of 1963. Exports in 1965 totaled 625,000 tons.

Last year's exports were held at this level despite much higher availabilities because of difficulties in moving corn from interior points into export position. In order to expedite shipments, special efforts were made to improve port installations.

With another large corn crop in prospect this year, further improvements in export facilities are being made. For example, drying equipment is being installed at some port locations to alleviate the moisture problem. However, limited road and rail facilities for delivery to port continue to be the greatest obstacle in exporting large quantities of corn.

Report on Peru's Feed Industry

According to processor forecasts, Peru's 1966 production of feed may reach 490,000 metric tons (330,000 of concentrates and 160,000 of nonconcentrated feed). This is an increase of 22 percent over the estimated 1965 output of 400,000 tons and 14 percent more than the 1964 estimate of 350,000.

Increases in 1965 and again in 1966 are attributed to the opening of a new feed mill and the rapidly growing demands of the poultry industry. Of total production of concentrated feeds, about 70 percent is used by the poultry industry and most of the balance by dairy cattle.

The principal feed ingredient is corn, which thus far has come from local rather than imported supplies. Processors have recently shown interest in importing corn, since their requirements are increasing rapidly, but as yet imports have not been authorized by the government.

French Switch From Wheat to Barley

The late 1965 harvest and the rainy fall in France prevented sowing the usual area to winter wheat and other grains. According to reports by the Ministry of Agriculture, fall seedings of wheat as of February 1 were 1,922,000 acres less than a year earlier and fall seedings of rye, barley, and oats, about 10,000 acres less.

It is expected that about 850,000 acres of wheat will be replaced by barley, which would indicate a record French barley crop in 1966. The previous record crop was 7.4 million tons in 1963. Last year's barley production was 7.3 million tons.

On the basis of wheat sowings, estimated by the Ministry at 8.7 million acres on January 1, and allowing for an

estimated 125,000 acres winterkilled and 850,000 acres to be sown to spring wheat, the total area to be harvested in 1966 would be about 9.4 million acres. The 1966 crop is now expected by O.N.I.C. to be about 12 million metric tons. This would provide for off-farm sales of about 9 million to 9.5 million tons and exports of 3.2 million to 3.7 million tons, including 500,000 tons of flour in wheat equivalent. Export availabilities in 1965-66 were about 4.5 million tons.

Inadequate Rain Reduces India's Rice Acreage

For the current rice year (July-June), India's rice acreage as of October 1 was 77,274,000 acres, a decrease of 2,445,000 from the record acreage planted by the corresponding date of 1964, according to the all-India first estimate. This forecast usually represents about 90 percent of India's annual acreage in rice.

Late and insufficient rains reduced plantings to the smallest acreage in 3 years. Areas principally affected are in the north and central States. Uttar Pradesh, the northernmost, was hardest hit, with a decline of 1,046,000 acres from the 10,855,000 planted in 1964-65. Other States with significantly lower acreages are Bihar, Madhya Pradesh, Andhra Pradesh, Maharashtra, and Gujarat.

Lack of rainfall in these areas until mid-February also greatly reduced yields per acre. The extent of the loss has not been officially reported. However, it is expected that India's rice production in 1965-66 may be as much as 15 percent below the record crop of 1964-65.

INDIA'S RICE ACREAGE, FIRST ESTIMATE, OCT. 1 [1]

State	1964-65	1965-66	Change from 1964-65
	1,000 acres	*1,000 acres*	*1,000 acres*
Andhra Pradesh	6,000	5,689	—311
Assam	4,605	4,684	+79
Bihar	13,052	12,531	—521
Gujarat	1,284	1,117	—167
Jammu and Kashmir	562	542	—20
Kerala	976	978	+2
Madhya Pradesh	10,479	10,032	—447
Madras	2,064	2,069	+5
Maharashtra	3,300	3,055	—245
Mysore	2,284	2,418	+134
Orissa	10,554	10,523	—31
Punjab	1,153	1,348	+195
Uttar Pradesh	10,855	9,809	—1,046
West Bengal	11,486	11,433	—53
Others	1,065	1,046	—19
Total	79,719	77,274	—2,445

[1] Roughly 90 percent of the total acreage finally reported. *All-India First Estimate of Rice, 1965-66*, Jan. 25, 1966.

Japanese Feed Production Continues Upward

Japan's mixed and formula feed production totaled approximately 8 million metric tons in 1965, maintaining the million-ton annual increase of recent years. Broiler and swine feed production made substantial gains, countering an expected drop in layer feed production.

Reflecting the rising production of mixed feeds, imports of feed grains continued to climb. Japan's corn imports in 1965 totaled 3.4 million tons, including a record 2.3 million tons from the United States. Grain sorghum imports were 1.4 million tons, including 1.3 million tons from the United States—also a record.

Japanese imports of barley, the only feed grain produced in significant quantity, have been increasing in volume, principally for use in swine feeds.

These import increases also reflect the economically healthy state of Japan's livestock industry. Broiler production continued to expand in 1965, and swine numbers reached a record level. Continued high pork prices have, in fact, encouraged farmers to keep even more brood sows. Laying hen numbers dropped sharply in early 1965, but apparently recovered to near peak levels as egg prices improved around mid-year. Dairy cattle numbers rose slightly, but beef cattle numbers fell off sharply.

U.S. Cotton Exports for January Announced

Exports of U.S. cotton in the first half (August-January) of 1965-66 amounted to 1,743,000 running bales, 12 percent below the 1,973,000 exported in the same period of 1964-65. Exports in January amounted to 277,675 bales, compared with 243,972 in January 1965. Exports in December 1965 were 446,854 bales.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average 1955-59	1963	1964	August-January	
				1964	1965
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	23	11	6	1
Belgium-Lux.	160	176	80	51	32
Bulgaria	0	19	0	0	0
Denmark	17	16	6	3	2
Finland	22	10	11	5	5
France	360	380	184	115	67
Germany, West	475	401	217	154	61
Hungary	0	18	0	0	0
Italy	416	442	260	177	53
Netherlands	124	127	65	30	17
Norway	10	14	13	7	7
Poland & Danzig	85	132	67	65	18
Portugal	28	35	22	8	4
Spain	171	14	28	12	4
Sweden	75	88	58	32	44
Switzerland	64	95	66	49	28
United Kingdom	525	286	153	70	78
Yugoslavia	108	78	109	89	117
Other Europe	17	20	10	7	6
Total Europe	2,690	2,374	1,360	880	544
Australia	54	91	60	30	17
Canada	217	448	390	159	155
Chile	35	2	1	[1]	3
Colombia	33	14	1	[1]	56
Cuba	27	0	0	0	0
Ethiopia	4	9	4	0	10
Hong Kong	134	187	150	27	54
India	184	314	243	59	26
Indonesia	30	21	47	47	0
Iraq	0	20	0	0	0
Israel	16	26	23	8	4
Japan	1,154	1,301	990	390	398
Korea, Rep. of	205	313	261	134	181
Morocco	10	15	12	5	6
Pakistan	14	8	9	1	5
Philippines	64	140	75	27	37
South Africa	26	37	43	22	19
Taiwan (Formosa)	153	189	203	109	97
Thailand	4	39	55	10	32
Uruguay	15	[1]	0	0	0
Venezuela	2	12	6	4	5
Viet Nam[2]	2	75	63	38	45
Other countries	27	27	64	23	49
Total	5,100	5,662	4,060	1,973	1,743

[1] Less than 500 bales. [2] Indochina prior to 1958; includes Laos and Cambodia.

France's Prune Pack Down

The 1965 dried prune pack in France is now estimated at only 7,200 short tons. Cold spring weather and a cool, rainy summer resulted in a much smaller crop than the French industry had expected early in the season. The 1965 pack was the smallest since 1961 and below the 5-year average (1959-63) of 8,600 tons. Last year was the third consecutive one in which unfavorable weather sharply reduced potentially above-average production.

FRANCE'S SUPPLY AND DISTRIBUTION OF DRIED PRUNES

Item	1963-64	1964-65	1965-66 [1]
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks (Aug. 1)	3,200	1,300	300
Production	8,300	8,300	7,200
Imports	3,500	5,600	8,600
Total supply	15,000	15,200	16,100
Distribution:			
Exports	1,000	500	600
Domestic disappearance	12,700	14,400	14,700
Ending stocks (July 31)	1,300	300	800
Total distribution	15,000	15,200	16,100

[1] All figures forecasts except beginning stocks and production.

The French trade considers the quality of the pack generally poor, and the high moisture content of the fruit is said to have caused problems in processing. However, the average size is said to be 44 to 66 per half-kilogram, which is fairly large for prunes in France.

Imports have been exceptionally heavy so far this season, and the proportion purchased from the United States is higher than ever. It appears that imports during the 1965-66 season may amount to 8,600 tons, and that well over 8,000 tons may come from the United States—largest amount since the 1938-39 season. These heavy imports are needed to maintain not only domestic consumption but French exports, as well as to build up the level of stocks. The French trade indicates a continuing preference for the large sizes of California prunes, i.e., 20 to 30, 30 to 40, and 40 to 50 per pound.

Prices of dried prunes, f.o.b. French processing plants, are unchanged from last season for the larger sizes and higher for the smaller sizes.

Indicative of a growing consumer preference for moister prunes, the Repression des Fraudes has issued a technical note concerning increased moisture content—30 percent and over in dried prunes at the retail level. To prevent preservation difficulties, the use of citric and sorbic acids, as well as potassium sorbate, has been permitted within certain limits.

To improve commodity marketing conditions, the French Government is fostering so-called groupements de producteurs. Such groups are to accept rules which may regulate production and marketing. Prune-grower cooperatives are becoming officially sanctioned as groupements de producteurs. These basic groups are supervised by the Comité Économique de la Prune d'Ente, which at present controls 25 percent of the prune production.

By organizing in this manner, the Comité was able to obtain financial contributions from the government. For 1966, $136,600 has been allocated to the dried prune industry. Of this amount, $40,600 will be devoted to advertising, $48,000 to foster exports, and $48,000 to research. The advertising is to apply to dried prunes in general, rather than to French prunes alone.

FRANCE'S IMPORTS AND EXPORTS OF DRIED PRUNES

Country	Year beginning August 1		
	1964-65	1964 [1]	1965 [1]
	Short tons	*Short tons*	*Short tons*
Imports:			
United States	5,423	2,209	4,707
Portugal	40	39	17
Yugoslavia	179	125	126
Other	5	4	19
Total	5,647	2,377	4,869
Exports:			
United States	(2)	13	—
Belgium-Luxembourg	97	(2)	(2)
Germany, West	8	(2)	(2)
Netherlands	156	51	—
Algeria	170	127	128
Guadeloupe	31	(2)	(2)
Martinique	43	(2)	(2)
Others	43	109	53
Total	548	300	181

[1] August-December. [2] If any, included in other countries.

AVERAGE FRENCH DRIED PRUNE PRICES PER SEASON [1]

Number per lb. and per ½ kg.		1964-65	1965-66
		U.S. cents per lb.	*U.S. cents per lb.*
30/40	(33/44)	—	37.2
40/50	(44/55)	30.8	30.8
50/60	(55/66)	28.1	28.1
60/70	(66/77)	24.5	26.8
70/80	(77/88)	21.3	24.5
80/90	(88/99)	18.1	22.7

[1] F.o.b. French processing plants.

India Has Bumper 1966 Cashew Crop

India's 1966 commercial cashew crop is forecast at 90,000 short tons, unchanged from last year's level. This would be about 5 percent below the record 1964 crop, but well above the 77,000-ton 1959-63 average.

INDIAN CASHEW NUT PRICES

Item	1963	1964	1965	1966
African raw nuts: [1]	*Dol. per short ton*	*Dol. per short ton*	*Dol. per short ton*	*Dol. per short ton*
Jan. 1	107.81	151.88	161.25	168.75
Feb. 1	140.62	145.31	180.38	187.50
Mar. 1	117.19	150.00	182.81	—
Apr. 1	131.25	146.25	178.13	—
May 1	125.62	144.38	185.63	—
June 1	118.12	150.00	187.50	—
July 1	111.56	160.31	197.81	—
Aug. 1	118.12	189.50	184.69	—
Sept. 1	131.25	181.88	176.25	—
Oct. 1	136.88	172.50	177.19	—
Nov. 1	137.81	173.44	168.75	—
Dec. 1	161.25	161.25	159.38	—
Kernels: [2]	*U.S. cents per lb.*	*U.S. cents per lb.*	*U.S. cents per lb.*	*U.S. cents per lb.*
Jan. 1	43.0	54.5	58.0	61.0
Feb. 1	42.0	52.5	61.0	64.0
Mar. 1	44.0	56.0	59.0	—
Apr. 1	44.5	57.0	58.0	—
May 1	45.0	57.0	57.5	—
June 1	44.5	59.0	59.0	—
July 1	43.5	65.0	63.0	—
Aug. 1	46.5	70.0	65.0	—
Sept. 1	48.5	69.0	63.0	—
Oct. 1	53.0	68.0	63.0	—
Nov. 1	54.0	67.0	62.0	—
Dec. 1	57.0	60.0	59.5	—

[1] Angochees, c.i.f. Cochin. [2] 320 count in 25-pound tins, c. & f. New York.

Exports during 1965 are now estimated at 2.37 million cases (of 50 lb. net). This is slightly below expectations but still a record level. However, shipments to the United States (which normally takes half the total) were down about 5 percent from 1964. The United Kingdom and Australia also bought fewer Indian cashews than in 1964. The USSR, however, more than made up for these declines, taking about 24 percent of the total as against 19 percent the year before.

INDIA'S SUPPLY AND DISTRIBUTION OF CASHEW NUTS
[Raw nut basis]

Item	1964	1965 [1]	1966 [2]
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks (Jan. 1)	14,000	2,000	11,000
Production	95,000	90,000	90,000
Imports	185,000	188,000	——
Total supply	294,000	280,000	——
Distribution:			
Exports [3]	279,000	253,000	——
Domestic disappearance	13,000	16,000	——
Ending stocks (Dec. 31)	2,000	11,000	——
Total distribution	294,000	280,000	——

[1] Preliminary. [2] Forecast. [3] Converted from kernel exports at 9.375 cases (50 lb. net) of kernels=1 ton raw nuts in 1965 and 1966 and 8.375 cases=1 ton in 1964.

During the past season, when exports were at a record level, prices were extremely strong. Rapidly growing world demand—especially in the USSR—is the main reason for this strength. However, during the current season, reduced supplies of raw nuts in Mozambique will also contribute to market strength. As a result, beginning season prices for both raw nuts and kernels are at record levels for this time of year.

Argentine Honey Output May Be Lower

In contrast to early optimism about the 1966 Argentine honey crop, trade sources now estimate that output will not greatly exceed 20,000 metric tons (44 mil. lb.). This compares with an estimated 35,000 tons (77 mil. lb.) in 1965 and the early forecast of 50,000 tons (110 mil. lb.) for 1966. Producers attribute the decline to unfavorable weather—mainly the spring drought and subsequent heavy rains at blossom time in the major honey-producing zone in North Central Buenos Aires Province.

Domestic consumption, which has risen sharply in recent years following an intensive promotion campaign, reached an estimated 16,000 tons (35 mil. lb.) in 1965. Exports in several recent years have been higher than this. However, if producer estimates on the size of the 1966 crop are correct, exports may be relatively small.

U.S. Raw Jute Imports Decline

U.S. imports of raw jute fiber in calendar 1965 totaled 35,743 long tons valued at $7.7 million. This represents a decrease of 51 percent in volume compared with 1964 imports, while the total value was down 25 percent. The drop in receipts was primarily due to higher prices. In 1965, the average unit value was 9.6 cents per pound, or slightly more than 50 percent above the unit price of 6.3 cents per pound in 1964.

Wholesale prices for raw jute (ordinary cuttings, New York) averaged around 10.3 cents per pound during the first 8 months of 1965, compared with 7.1 cents for the corresponding months of 1964. In the final months of 1965, prices dropped off to around 8.5 cents. In January 1966, however, prices for ordinary cuttings rose to 9.6 cents because of heavy buying by many major jute-importing countries during the preceding month.

The United States obtains most of its raw jute from Pakistan (64 percent in 1965) and Thailand (26 percent). The bulk of U.S. purchases are of lower grade fibers for which demand is extremely sensitive to price changes, as evidenced during the past year. In the U.S. market, these grades are in direct competition with reprocessed materials, such as old burlap and used cotton-bale covers. Principal end uses include padding, felting, and insulation.

Philippine Desiccated Coconut Exports Up

Registered exports of desiccated coconut from the Philippine Republic in 1965, at 75,756 short tons, rose 7 percent from those of 1964. Movements to the United States increased slightly, accounting for 79 percent of the total compared with 83 percent in 1964. Most of the increase reflected larger movements to Europe, notably West Germany, the Netherlands, Denmark, and France.

REGISTERED EXPORTS OF DESICCATED COCONUT FROM THE PHILIPPINES

Destination	1962	1963	1964 [1]	1965 [2]
	Short tons	*Short tons*	*Short tons*	*Short tons*
United States	57,123	60,955	58,896	59,641
Canada	1,062	3,048	3,553	3,438
Germany, West	1,674	2,639	936	2,467
Denmark	320	636	499	905
Netherlands	363	568	510	1,180
Australia	2,762	3,549	4,223	4,501
New Zealand	391	254	552	416
Others	2,220	2,008	1,929	3,208
Total	65,915	73,657	71,098	75,756

[1] Revised. [2] Preliminary.
Associated Steamship Lines, Manila.

Tunisian Olive Oil Exports Fall

Tunisia exported only 6,976 metric tons of edible olive oil during the November-January period of 1965-66, against 17,752 tons in the comparable period of 1964-65. France and Italy continued to be the major markets.

European prices for Tunisian olive oil (1-percent acidity) were being quoted at £245-255 per metric ton (US$686 to US$714) in drums, c.i.f., on February 26, 1966, compared with average prices of $681.80 and $652.70 in January 1966 and 1965, respectively.

U.S. Cigarette Exports Drop in 1965

U.S. exports of cigarettes in 1965 totaled 23,052 million pieces—down 8.3 percent from the 25,144 million shipped out in 1964.

The leading markets for U.S. cigarettes last year were, in order of importance, Hong Kong, Spain, the Netherlands Antilles, Malaysia, Kuwait, and France. Each of these markets took at least 1 billion cigarettes. Other

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important foreign outlets which purchased between 600 million and 1 billion included Panama, Ecuador, Paraguay, Italy, and Lebanon.

The total export value of cigarettes in 1965 was $105.3 million, with an average export value per 1,000 pieces of $4.57.

U.S. EXPORTS OF CIGARETTES

Destination	1963	1964	1965
	Million pieces	*Million pieces*	*Million pieces*
Hong Kong	2,109.4	2,561.0	2,648.1
Spain	888.8	2,252.4	1,823.6
Netherlands Antilles	1,120.1	1,135.0	1,291.7
Malaysia [1]	1,646.5	1,117.6	1,268.4
Kuwait	1,187.4	1,425.0	1,123.3
France	1,340.8	1,339.3	1,034.6
Paraguay	204.1	683.5	966.5
Ecuador	451.6	569.2	712.4
Panama, Republic of	508.1	823.5	651.4
Italy	719.8	708.7	643.9
Lebanon	532.8	550.2	630.4
Belgium-Luxembourg	1,045.3	720.1	511.2
Netherlands	484.7	617.2	503.3
Peru	761.1	597.5	503.1
Canary Islands	517.1	575.6	486.6
Switzerland	530.5	342.7	483.0
Australia	579.6	533.7	468.6
Sweden	696.6	706.7	445.5
Denmark	474.4	512.7	398.9
Canada	236.0	243.3	311.4
Japan	468.9	529.3	295.1
United Kingdom	284.0	347.2	283.6
Others	6,827.1	6,252.8	5,567.3
Total	23,614.7	25,144.2	23,051.9
	1,000 dollars	*1,000 dollars*	*1,000 dollars*
Value	106,543	114,595	105,297

[1] Includes Singapore.
Bureau of the Census.

Australian Cigarette Output Up

Cigarette output in Australia continued upward through 1965. Output last year totaled 21,818 million pieces, 4.9 percent greater than the 20,798 million produced in 1964.

Quota on Danish Chickens to U.K. Market

After lengthy negotiations, the United Kingdom and Denmark reached agreement on an annual quota of 7,500 metric tons (16.5 mil. lb.) for the export of Danish frozen chickens to the United Kingdom. The quota, which went into effect on March 1, provides for a monthly limit of 625 metric tons. Exports may consist of broilers or hens and will be controlled through the issuance of export licenses to traditional exporters according to their current market shares.

Danish exports of frozen chicken to the United Kingdom in 1964 and 1965 were 19 million and 27.4 million pounds respectively. This rising level of imports brought vigorous protests from British farmers' organizations. British farmers claimed that Denmark was "dumping" chicken on the U.K. market, as it was being sold at prices below the Danish domestic market price by means of export subsidies paid from the Danish home market scheme.

The U.K. Government acknowledged this claim as valid and threatened to subject future Danish imports to the British antidumping legislation, which provides for a tariff of 13.1 cents per pound. As a result, the quota limitation was negotiated, reducing Danish frozen chicken exports to the U.K. market by about 11 million pounds from the 1965 level of 27.4 million pounds.

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